States to submit applications to participate in the program. The FHWA will use the applications to make the program allocations under the program.

(b) The FHWA will make a comparison of the applicants based on the amount of Federal-aid highway funds each State has expended on contracts for engineering and design services. In assessing the amount of funds a State spent in procuring engineering and design services, the FHWA will also consider the amounts expended by States on 100 percent State-funded engineering and design services contracts involving projects to be constructed with Federal-aid highway funds to the extent the State provides such information with its application.

(c) The FHWA will select not less than three States each fiscal year to receive funds under this program.

(1) Selection of the States to receive funding under this program will be made by determining which States were the most effective in increasing the percentage of funds expended on engineering and design services contracts in the year preceding the fiscal year in which funds are to be allocated. In the selection process, the FHWA will evaluate each State's program of contracting for engineering and design services. The evaluation will primarily consider such information as the amount and percentage of Federal-aid highway funds and State funds expended on engineering and design services contracts, the number of contracts awarded for such services, the relative size of the State's Federal-aid highway program and the increases in use of private sector firms during the preceding year and the preceding five years.

(2) Upon the FHWA's request for applications, each State interested in being considered should submit its application through its appropriate FHWA Division Office. The application may be in letter form and should include current information on the extent of the State's use of consultants for engineering and design on Federal-aid highway projects. In addition, the State may provide data on the amount of 100 percent State-funded engineering and design services contracts involving projects to be built with Federal-aid

highway funds and any other information demonstrating the State's effectiveness in increasing the percentage of funds expended on engineering and design services contracts in the past five years.

§172.25 Funding.

- (a) Funds received by a State under this program may only be used for awarding engineering and design services contracts with the private sector. These contracts shall carry out services and activities eligible for Federalaid funding under title 23, United States Code.
- (b) The Federal share of any project obligated with funds allocated under this program shall be the same as the Federal share applicable to the type of work or project being developed or the system on which the project is located. Funds allocated under this program shall remain available until expended.
- (c) Funds will be allocated to the States each fiscal year from 1995 through 1997 to the extent funds are appropriated.

PART 190—INCENTIVE PAYMENTS FOR CONTROLLING OUTDOOR ADVERTISING ON THE INTERSTATE SYSTEM

Sec.

190.1 Purpose.

190.3 Agreement to control advertising.

190.5 Bonus project claims.

190.7 Processing of claims.

AUTHORITY: 23 U.S.C. 131(j) and 315; 49 CFR 1.48(b).

SOURCE: 43 FR 42742, Sept. 21, 1978, unless otherwise noted.

§190.1 Purpose.

The purpose of this regulation is to prescribe project procedures for making the incentive payments authorized by 23 U.S.C. 131(j).

§190.3 Agreement to control advertising.

To qualify for the bonus payment, a State must have entered into an agreement with the Secretary to control outdoor advertising. It must fulfill, and must continue to fulfill its obligations